weekly economic review

April 4, 2014

Labour Force Survey

Employment growth takes a breather

Alberta shed 900 net jobs in March, after adding over 25,000 to employment during the first 2 months of the year. Despite the monthly dip, Alberta's year-over-year (y/y) job growth rate remains the highest among the provinces at 4%. Over the last twelve months, the province has created 86,600 net jobs, accounting for just under half (46%) of employment growth in Canada.

The unemployment rate rose 0.6 percentage points to 4.9% as a result of 13,500 persons joining the province's labour force in March, combined with the minor monthly job loss. The rate remains the second lowest behind only Saskatchewan.

Canada created 42,900 net jobs in March, with the national unemployment rate dipping to 6.9%.

International Merchandise Trade

Energy products drive growth

Alberta's exports increased 7.1% y/y in February, lifted by a 8.7% bump from energy products. Growth in energy products has been aided by higher prices for crude oil and bitumen, which are up over the same month last year. The value of farm products exports fell by 12.0% y/y in February, reflecting weaker export prices.

Average Weekly Earnings (AWE)

Starting the year off strong

In January, Alberta's AWE was $1,134.36, up 5.1% y/y. This is the highest annual growth rate since May of 2013. The goods sector (5.6% y/y) posted strong growth, led by gains in mining, oil and gas extraction (8.8% y/y). The service sector (5.0% y/y) also saw strong growth, with earnings in the wholesale trade up 14.7% y/y.

On the national level, Canada's AWE increased by 3.0% y/y to $924.77 in January 2014. The gap in earnings between Alberta and Canada narrowed slightly to $209.59, from the record level of $215.50 in December 2013.

Canadian Real GDP by Industry

The economy bounces back

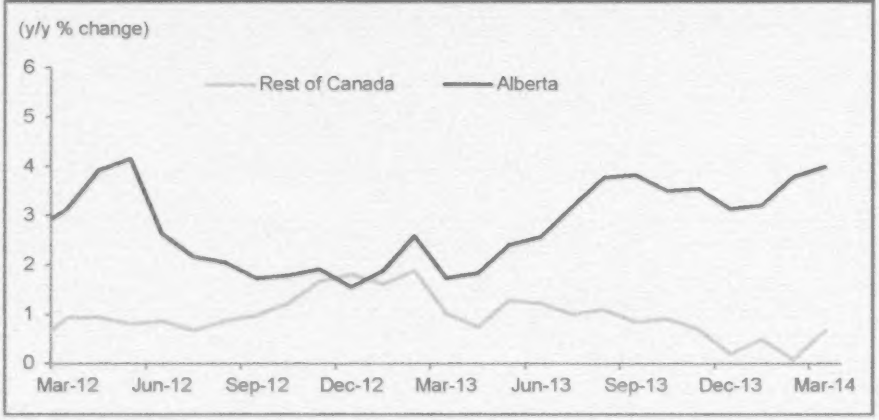
Canadian real GDP grew by 0.5% in January, reversing a 0.5% decline in December. Goods production contributed the most to the increased output, led by gains in the manufacturing sector. Oil and gas extraction increased by 0.8% in January after falling 0.1% in December, as gains in the non-conventional oil industry (+2.1%) more than offset a loss in conventional oil and gas output (-0.2%). Services production was up 0.3%, with broadly based gains across the services-producing industries.

US Employment

Job growth continues

US non-farm payrolls increased by 192,000 in March, down from 197,000 jobs added in February but above the average monthly job gains over the prior 12 months of 183,000. Non-farm payrolls are now under half a million jobs away from their pre-recession peak. The unemployment rate remained unchanged at 6.7%, while share of the population participating in the labour force increased 0.2 percentage points to 63.2%.

Employment Growth



Source: Statistics Canada

Closing Price	Mar 27 2014	April 3, 2014	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	90.44	90.62	90.65
WTI Oil ($US/bbl)	101.28	100.29	99.88
NYMEX Natural Gas($US/MMBtu)	4.58	4.47	4.37

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Alberta Economic Indicators

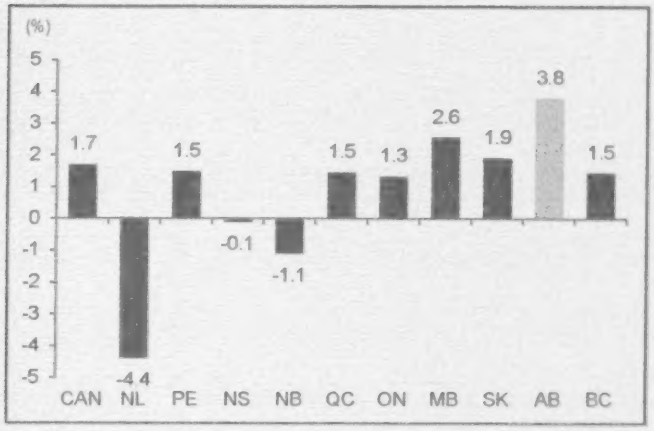
Population[1]	2012	2013	2014YTD	Oct	Nov	Dec	Jan	Feb	Mar
Population (000's)	3,889	4,025	4,083	4,061	..	..	4,083	..	..
y/y % change	2.6	3.5	3.4	3.5	..	..	3.4	..	..
Net Interprovincial Migration	27,652	52,677	15,932	10,269	..	..	5,663	..	..
Net International Migration	40,842	52,551	25,185	16,436	..	..	8,749	..	..
Net Non-permanent Residents	10,085	19,560	9,274	8,213	..	..	1,061	..	..
Labour Market									
NEW! Employment (000's), SA	2,150	2,211	2,256	2,235	2,246	2,237	2,243	2,262	2,261
y/y % change	2.7	2.9	3.7	3.5	3.5	3.1	3.2	3.8	4.0
NEW! Unemployment Rate (%), SA	4.6	4.6	4.6	4.5	4.7	4.8	4.6	4.3	4.9
NEW! Participation Rate (%), SA	73.4	73.1	73.1	73.0	73.3	72.9	72.8	73.1	73.3
NEW! Average Weekly Earnings ($), SA	1,072.75	1,111.68p	1,134	1,123	1130.1	1140.5	1,134	..	..
y/y % change	3.6	3.6p	5.1	3.6	4.1	4.7	5.1	..	..
Price Indices									
Consumer Price Index (y/y % change)	1.1	1.4	2.6	1.0	1.7	2.1	2.7	2.4	
Excluding food and energy	1.4	1.4	2.2	1.6	1.5	1.9	2.1	2.3	
Non-Res. Building Cons. Price Index[2] (y/y % change)	3.8	1.2	..	..	..	1.3	..	..	
Farm Product Price Index (y/y % change)	6.8	4.5	..	-0.9	-4.1	-5.4	..	..	
Crops	8.0	4.3	..	-10.1	-12.3	-16.1	..	..	
Livestock	5.7	4.5	..	9.0	5.3	5.5	..	..	
Household Sector									
Housing Starts (SAAR, 000's)	33.4	36.0	37.5	38.2	43.8	36.2	39.4	35.7	
y/y % change	29.9	7.8	15.4	14.2	9.9	18.8	28.3	3.9	
New Housing Price Index[3] (y/y % change)	1.3	2.8	3.2	3.0	3.1	2.9	3.2	..	
Edmonton	0.9	0.4	-0.2	0.3	0.0	-0.2	-0.2	..	
Calgary	1.7	5.3	7.0	6.1	6.5	6.1	7.0	..	
MLS Average Resale Prices ($ 000's)	362.0	389.2	401.8	381.5	388.6	389.7	399.6	404.0	
y/y % change	2.6	5.0	7.6	3.9	5.3	4.7	7.9	7.3	
Edmonton ($ 000's)	332.7	343.8	360.4	339.2	347.2	356.9	356.5	364.2	
y/y % change	2.6	3.3	6.8	1.4	2.5	5.3	6.7	6.9	
Calgary ($ 000's)	410.8	436.6	456.2	439.8	449.3	449.5	456.4	456.0	
y/y % change	2.2	6.3	5.3	4.2	7.7	4.5	5.9	4.7	
Retail Sales, SA (y/y % change)	6.9	6.6	9.8	6.8	7.2	7.8	9.8	..	
New Motor Vehicle Unit Sales (y/y % change)	10.5	6.2	11.8	6.5	5.3	7.9	11.8	..	
NEW! Consumer Bankruptcies	5759	4689	336	383	323	284	336	..	
y/y % change	-18.1	18.6	-24.7	-21.7	-23.1	-17.9	-24.7	..	
Business Sector									
Rigs Drilling	250	235	359	239	233	259	392	403	282
y/y % change	-12.6	-5.9	1.6	1.0	9.8	9.9	6.7	4.4	-7.8
NEW! Goods Exports, customs based (y/y % change)	2.8	-7.7	-9.9	18.6	14.0	19.0	12.4	7.1	
Energy	3.6	10.5	12.2	25.6	18.2	27.9	15.4	8.7	
Farm, Fishing and Intermediate Food	20.6	-8.3	-9.2	-14.4	3.6	-18.1	6.3	12.0	
Farm Cash Receipts (quarterly, y/y % change)	15.8	2.1 YTD	..	..	..	..	..	..	
Manufacturing Shipments, SA (y/y % change)	3.4	1.9	7.0	6.0	7.4	5.3	7.0	..	
Wholesale Trade, SA (y/y % change)	10.8	2.1	3.9	5.1	1.5	0.9	3.9	..	
Building Permits, SA (y/y % change)	14.8	17.7	49.2	24.7	6.9	10.7	49.2	..	
Residential	18.2	19.0	54.2	39.1	15.6	23.3	54.2	..	
Non-residential	10.7	16.1	41.2	5.5	-29.7	4.4	41.2	..	
NEW! Business Bankruptcies	230	137	7	15	8	14	7	..	
y/y % change	-12.9	-40.4	-30.0	-16.7	-46.7	-12.5	-30.0	..	

1 Quarterly, annual numbers are presented on a census year basis (July 1– June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate.

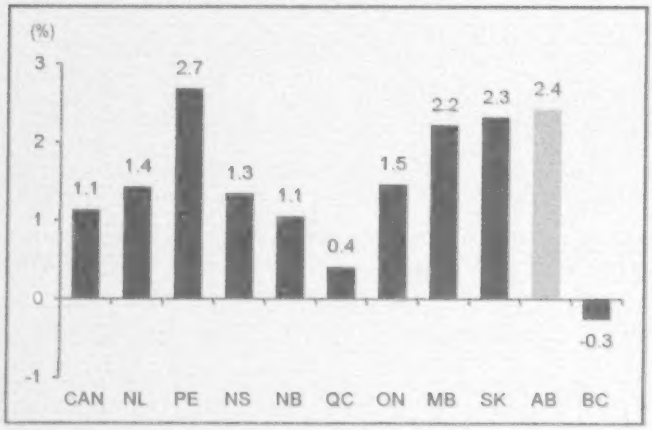
p denotes a preliminary annual number.
Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada).
All historical data are subject to revision.

Economic Indicators by Province

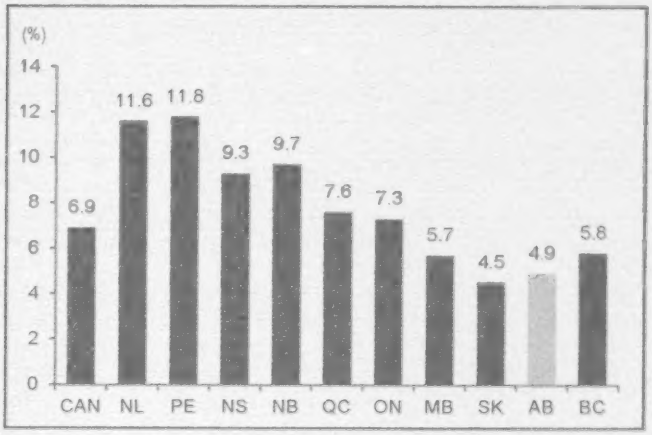
Real GDP at Market Prices
(2012, year-over-year growth)



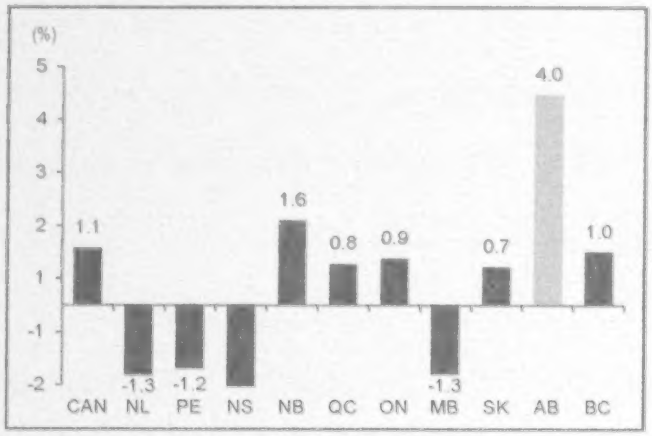
CPI Inflation
(February 2014, year-over-year growth)



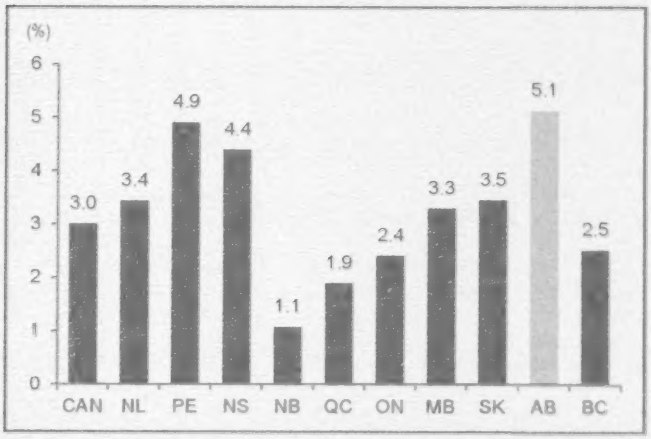
Unemployment Rate
(March 2014)



Employment
(March 2014, year-over-year growth)



Average Weekly Earnings
(January 2014, year-over-year growth)



Housing Starts
(February 2014, SAAR, year-over-year growth)